GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2715
ANSWERED ON:09.08.2001
FUNDS FOR SETTING UP FOR POWER PROJECTS IN BIHAR
RAJO SINGH

Will the Minister of POWER be pleased to state:

(a) whether the Union Government have received any representation from the Government of Bihar for providing funds for on-going projects and setting up and development of new power projects;

(b) if so, the details thereof; and

(c) the details of proposals approved by the Union Government?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Yes, Sir. The Govt. of Bihar in their letter dated 22.12.2000 requested the Ministry of Power for financial assistance for setting up 2x250 MW Extension project at Muzaffarpur Thermal Power Station (Stage-II) in Bihar. Further, Bihar State Electricity Board (BSEB) in their letter dated 25.1.2001 requested World Bank Assistance for newpower projects, viz, Katihar TPP (2x250 MW), Renovation & Modernization (R&M) andLife Extension of four units of Barauni Thermal Power Station and two units ofMuzaffarpur Thermal Power Station, Transmission Schemes of BSEB and Nabinagar TPP (4x500 MW).

(c) : State Sector projects are normally funded by the State Government and forthat a budget provision has to be made in the State budget. There is no provision of any Central assistance for State power projects, State Electricity Boards (SEBs) have beenobtaining loans from Power Finance Corporation (PFC) and other Financial Institutions for setting up power projects. Further as per the policy of the World Bank, it was not possible to pose the generation projects to the World Bank. Accordingly, the State Govt. of Bihar was advised by the Ministry of Power in their letter dated 29.1.2001 to interact with Planning Commission for making an allocation in the State budget. Alternatively, they should seek financial assistance from the PFC.